

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo #01-09

To: Benefits Administrators
From: Charles S. Reed, Associate Director
State and Local Health Benefits Programs
CC: All OHB
Date: June 1, 2001
Re: Retiree Policy and Other Information for July 1, 2001

As we work together to learn new rules and processes which become effective on July 1, remember that the non-Medicare retiree population will be affected by many of these new policies and, in addition, that some rules are unique to retirees. The following new guidelines will apply to non-Medicare retirees beginning July 1, 2001.

Consistency: Like active employees, non-Medicare retirees who wish to make election changes outside of Open Enrollment must do so based on certain life events, and the changes must be consistent with the event involved. For new retirees, this means that they may not add new dependents upon their retirement, but may do so at the time of a consistent life event (e.g., loss of spouse's employment, marriage). Please see "Other Retiree Reminders" on page 2 regarding decreasing coverage.

Prospective Effective Dates: Retirees who make changes due to certain life events will also be governed by the prospective rule. Retirees who make timely election changes (within 31 days of the applicable life event) will have an effective date of the first day of the month after their selection and confirmation (through EmployeeDirect) or Enrollment/Waiver Form is received.

Following are **exceptions** to the prospective rule:

- Births, adoptions and placements for adoption will be effective the first day of the month in which the event occurs (with timely notification).
- Removing an ineligible dependent must be made effective at the end of the month in which the loss-of-eligibility event occurs.
- New service retirees, both Medicare and non-Medicare, who elect retiree health benefit coverage within 31 days of their retirement date will be placed in the retiree group the first day of their first full month of retirement. There will be no impact on their effective date of coverage based on the date of their Enrollment/Waiver Form as long as they apply within 31 days of their retirement date.
- Retirees, both Medicare and non-Medicare, enrolling in the Retiree Health Benefits Program after terminating coverage as a dependent in the State Health Benefits Program (for active employees) will begin retiree coverage the first of the month after loss of their active State coverage as long as they apply within 31 days of that event.
- Retirees with family membership may add newly-eligible dependents to their existing family coverage at the beginning of the month after the life event occurs (except as noted above for birth and adoption).

Other Retiree Reminders:

- A summary of benefit plans contacts (address, telephone number and Web site) and a general description of regional plan service areas has been placed under the Retiree link on the Department of Human Resource Management (DHRM) Web site. A hard copy is attached for use by Benefits Administrators who do not have Internet access, and it may be copied for retirees. This information is located at www.dhrm.state.va.us/services/health/retiree/contactinfo.pdf.
- Retirees, both non-Medicare and Medicare, may decrease or cancel coverage at any time, but once they cancel, they may not re-enroll in the future.
- Non-Medicare retirees will be allowed to make plan changes at the time of retirement. (Of course, Medicare retirees are required to select plans that coordinate with Medicare.)
- Medicare retirees may continue to add dependents without a life event at this time. However, more information will follow in the fall regarding this option.
- Please note on your updated materials order form that the ***Retiree Plans Sourcebook*** is being discontinued. Retiree Fact Sheets will replace the Sourcebook as concise, user-friendly, subject-specific references for retirees and Benefits Administrators. They will be available on the DHRM web site (for copying locally) by the end of June. Hard copy originals also will be sent to all Benefits Administrators who do not have Internet access. All retirees in statewide plans will be notified that the fact sheets are available when they are mailed new membership cards in late June or early July.

Enclosure:

State Retiree Health Benefits – Plan Contact Summary (including Regional Plan Service Areas)